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DIVISION OF OIL, GAS AND MINING

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Ted Stewart
Executive Director

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MESSAGES:

PLS.- LOOK THIS OVER AND LET US
KNOW IF THERE ANY MAJOR THINGS
YOU CAN NOT LIVE WITH AS SOON AS
POSSIBLE. HOPEFULLY TODAY, THX TOM

Important: This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above addressed via regular postal service. Thank you.

DRAFT*DRAFT*DRAFT

March 27, 1997

Rick Havenstrite
Centurion Mines Corporation
331 South Rio Grande Street, Suite 201
P.O. Box 2365
Salt Lake City, Utah 84110

Dear Mr. Havenstrite:

Re: Tentative Approval of the Notice of Intention to Commence Large Mining Operations, Centurion Mines Corporation, O.K. Copper Mine, M/001/039, Beaver County, Utah

Dear Mr. Havenstrite:

The Division has completed its assessment of your January 7, 1997 technical review response, received in response to our December 6, 1996 review letter. We have also evaluated the supplemental information provided more recently to address questions regarding heap closure and related bonding concerns. The Division is now prepared to issue its tentative approval of the O.K. Copper Mine Large Mining Notice of Intention with the following condition(s). A few technical comments remain which require final clarification. The comments are listed separately under the applicable Minerals Rule heading as a separate attachment to this letter. Please format any required responses in a similar fashion.

In order to present this matter before the Board at the April 23, 1997, Board Hearing, we will need the completed Reclamation Contract and Surety forms in our office no later than **April 10, 1997**. These final clarifications must be resolved and/or confirmed by this date. Thank you for your cooperation in completing this permitting action. If you have any questions in this regard please contact me or any of the other Minerals staff members.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

attachment

jb

cc: Craig Davis, Beaver County Zoning Authority
Dennis Frederick, DWQ
Mary Ann Wright, DOGm

M01-39-2.rvw

TEMPORARY DRAFT

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o:\review\m01-39.2rvw

**REVIEW OF RESPONSES TO DOGM'S INITIAL REVIEW
NOTICE OF INTENTION TO COMMENCE LARGE MINING OPERATIONS****Centurion Mining Company
O.K. Mine****M/001/039****R647-4-106 - Operation Plan**

106.3 Estimated acreages disturbed, reclaimed, annually.

The response under section R647-40106.3 states the total disturbed area for the project will be 275 acres and the total area to be reclaimed is 198 acres. A summation of the acreages listed in the table in this section equals approximately 189 acres. Please clarify this issue by providing a similar table of acreages using the headings below.

	Phase 1 Disturbance	Phase 2 Disturbance	Phase 3 Disturbance	Total Area Disturbed	Total Area Reclaimed
Roads					
Waste Dumps					
Pits					
Heap Leach Pad & Ponds					
Process Plant					
Misc.*					

* Includes:

R647-4-112 - Variances

R647-4-111.7 - Highwalls - The Division will grant a variance allowing highwalls in the OK Pit and Mary 1 Pit to remain at angles steeper than 45 degrees at final reclamation. The variance is accepted based upon the fact that the highwalls will remain stable following mining.

R647-4-111.9 - Dams and Impoundments - The Division will grant a variance to allow the pond to remain in place based on its ability to sustain a riparian habitat and due its small size and its overall benefit to an arid environment.

TEMPORARY DRAFT

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R647-4-111.12 - Topsoil Redistribution - The Division will grant a variance for topsoil redistribution on pit highwalls (@55 degree angles and solid rock) and the "unaccessible" benches. It is the Division's understanding that all 'accessible and safe' benches and the pit floors will be topsoiled and revegetated. **The Division encourages Centurion to contemporaneously reclaim the pit benches as mining progresses to minimize the number of benches that are left "unaccessible" upon mine closure.**

R647-4-111.13 - Revegetation - The Division will grant the revegetation variance for the pit highwalls and 'unaccessible' benches. It is the Division's understanding that all 'accessible and safe' benches and the pit floors will be topsoiled and revegetated **and that contemporaneous reclamation will be used where practical.**

R647-4-113 - Surety

The Division has prepared a revised reclamation cost estimate for Phase 1 disturbances only based on recent discussion and submission from Centurion. A copy of this revised estimate is attached. The significant change to the estimate was the addition of assumed costs for rinsing 20% of the total amount of ore to be placed on the heap during the proposed life of mine. The rinse parameters assumed by the Division are shown in the estimate.

The State Division of Water Quality (DWQ) will issue a Ground Water Discharge Permit for this operation. Their permitting process uses a phased permitting approach. A conceptual decommissioning and closure plan must be approved by DWQ before beginning construction of the heap leaching facilities. The details of this plan may result in changes/revisions to the decommissioning and closure plan as outlined in the current reclamation cost estimate. Any necessary changes to the existing closure/reclamation plan would also require that appropriate adjustments be made to the amount of reclamation surety held by the Division.

Centurion has agreed to develop and implement a sampling and characterization plan including lab scale studies which will form the basis for more detailed heap leach neutralization specifications. Additional characterization and neutralization data will be generated during the initial phases of mine development (first 18-24 months). This information will be periodically evaluated by the Division and DWQ. A decision to require appropriate changes/adjustments to the proposed closure/neutralization plan and reclamation surety may be required as a result of these periodic reviews and/or DWQ's eventual approval of a conceptual closure plan for the project facilities.

The mining of the O.K. Copper Mine will occur in Phases and be bonded in Phases. The tentative approval relates to the first phase of mining operations which involves the construction of heap leach pad, (TONY HELP HERE, THIS SECTION WASN'T COMPLETED. I'm assuming you were the Drafter??)

Before Phase 2 or Phase 3 operations begin, Centurion will need to provide the Division with additional surety to cover the projected reclamation costs for the proposed disturbances.

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Addition Condition:

Within 30 days of your receipt of this tentative approval, a completely revised and updated permit application must be received by the Division. This updated volume must incorporate all of the subsequent technical information prepared and submitted as a result of the overall permit review process.

Attachment: Reclamation Estimate
M01-39-2.rvw